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Livingston Parish Clerk of Court
Livingston, Louisiana

Annual Financial Report
June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 12 2000

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**General Purpose Financial Statements
As of and for the Year Ended June 30, 1999
With Supplemental Information Schedules**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Lucius Patterson
Livingston Parish Clerk of Court
Livingston, Louisiana 70454

We have audited the accompanying general purpose financial statements of the Livingston Parish Clerk of Court, a component unit of the Livingston Parish Police Jury as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Livingston Parish Clerk of Court's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures About Year 2000 Issues*, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, *Disclosures About Year 2000 Issues - an Amendment to Technical Bulletin 98-1*, requires disclosure of certain matters regarding the year 2000 issue. The Livingston Parish Clerk of Court has included such disclosures in Note 17. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Livingston Parish Clerk of Court's disclosures with respect to the year 2000 issue made in Note 17. Further, we do not provide assurance that the Livingston Parish Clerk of Court is or will be successful in whole or in part, or that parties with which the Livingston Parish Clerk of Court does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Livingston Parish Clerk of Court, Livingston, Louisiana, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 20, 1999 on our consideration of the Livingston Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the *general purpose financial statements* of the Livingston Parish Clerk of Court, taken as a whole. The supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a *required part of the general purpose financial statements* of the Livingston Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audits of the *general purpose financial statements*, and in our opinion, such information is fairly presented in all material respects in relation to the *general purpose financial statements* taken as a whole.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

December 20, 1999

**Livingston Parish Clerk of Court
Livingston, Louisiana
All Fund Types and Account Groups**

**Combined Balance Sheet
June 30, 1999**

	Governmental Fund Types		Fiduciary Fund Types	Account Groups
	General Fund	Capital Project Fund	Agency Funds	General Fixed Assets
Assets				
Cash & Cash Equivalents	\$ 1,656,596	\$ -	\$ 2,574,609	\$ -
Restricted Cash	307,704	-	-	-
Receivables	12,916	-	-	-
Accrued Interest	3,870	-	-	-
Due from Other Funds	37,035	17,959	-	-
Due from Other Governments	10,589	-	-	-
Land, Buildings, & Equipment	-	-	-	618,523
Total Assets	\$ 2,028,710	\$ 17,959	\$ 2,574,609	\$ 618,523
Liabilities, Equity, & Other Credits				
Liabilities:				
Accounts Payable	\$ 50,240	\$ 17,959	\$ -	\$ -
Payroll Taxes Payable	37,601	-	-	-
Accrued Employee Leave	14,578	-	-	-
Due to Other Funds	17,959	-	37,035	-
Unsettled Deposits	-	-	2,537,574	-
Total Liabilities	120,378	17,959	2,574,609	-
Equity & Other Credits:				
Investment in General Fixed Assets	-	-	-	618,523
Fund Balances:				
Reserved	307,704	-	-	-
Unreserved	1,600,628	-	-	-
Total Equity & Other Credits	1,908,332	-	-	618,523
Total Liabilities, Equity, & Other Credits	\$ 2,028,710	\$ 17,959	\$ 2,574,609	\$ 618,523

The accompanying notes are an integral part of these statements.

Statement A

	<u>Total (Memo Only)</u>
\$	4,231,205
	307,704
	12,916
	3,870
	54,994
	10,589
	618,523
\$	<u>5,239,801</u>
\$	68,199
	37,601
	14,578
	54,994
	<u>2,537,574</u>
	<u>2,712,946</u>
	618,523
	307,704
	<u>1,600,628</u>
	<u>2,526,855</u>
\$	<u>5,239,801</u>

**Livingston Parish Clerk of Court
Livingston, Louisiana
Governmental Fund Types**

Statement B

**Statement of Revenues, Expenditures, & Changes in Fund Balance
For the Year Ended June 30, 1999**

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total (Memo Only)</u>
Revenues			
Licenses and Permits	\$ 26,961	\$ -	\$ 26,961
Fees, Charges, & Commissions for Services:			
Recordings	631,083	-	631,083
Cancellations	32,876	-	32,876
Mortgage Certificates	11,438	-	11,438
Court Attendance	7,960	-	7,960
Photocopies	282,990	-	282,990
Bond Forfeits	71,013	-	71,013
Suits & Successions	783,516	-	783,516
Interest Revenue	92,454	-	92,454
Other Revenue	136,172	-	136,172
Total Revenues	<u>2,076,463</u>	<u>-</u>	<u>2,076,463</u>
 Expenditures			
General Government:			
Salaries	814,683	-	814,683
Office Expenditures	458,081	-	458,081
Insurance	221,091	-	221,091
Auto/Travel	8,208	-	8,208
Clerk's Allowance	7,336	-	7,336
Other Expenditures	215,486	-	215,486
Capital Expenditures	56,822	65,318	122,140
Total Expenditures	<u>1,781,707</u>	<u>65,318</u>	<u>1,847,025</u>
 Excess Revenues (Expenditures)	<u>294,756</u>	<u>(65,318)</u>	<u>229,438</u>
 Other Financing Sources (Uses)			
Operating Transfers In (Out)	(65,318)	65,318	-
Total Other Financing Sources (Uses)	<u>(65,318)</u>	<u>65,318</u>	<u>-</u>
 Excess Revenues & Other Sources (Expenditures & Other Uses)	<u>229,438</u>	<u>-</u>	<u>229,438</u>
Fund Balance, Beginning of Year	1,678,894	-	1,678,894
Fund Balance, End of Year	<u>\$ 1,908,332</u>	<u>\$ -</u>	<u>\$ 1,908,332</u>

The accompanying notes are an integral part of these statements.

**Livingston Parish Clerk of Court
Livingston, Louisiana
Governmental Fund Types**

Statement C

**Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999**

	General Fund		
	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues			
Licenses and Permits	\$ 25,000	\$ 26,961	\$ 1,961
Fees, Charges, & Commissions for Services:			
Recordings	620,000	631,083	11,083
Cancellations	32,000	32,876	876
Mortgage Certificates	11,000	11,438	438
Court Attendance	8,000	7,960	(40)
Photocopies	275,000	282,990	7,990
Bond Forfeits	45,000	71,013	26,013
Suits & Successions	770,000	783,516	13,516
Interest Revenue	80,000	92,454	12,454
Other Revenue	213,155	136,172	(76,983)
Total Revenues	2,079,155	2,076,463	(2,692)
 Expenditures			
General Government:			
Salaries	794,950	814,683	(19,733)
Office Expenditures	458,540	458,081	459
Insurance	241,200	221,091	20,109
Auto/Travel	4,200	8,208	(4,008)
Clerk's Allowance	8,000	7,336	664
Other Expenditures	214,400	215,486	(1,086)
Capital Expenditures	50,000	56,822	(6,822)
Total Expenditures	1,771,290	1,781,707	(10,417)
 Excess Revenues (Expenditures)	307,865	294,756	(13,109)
 Other Financing Sources (Uses)			
Operating Transfers In (Out)	(75,000)	(65,318)	9,682
Total Other Financing Sources (Uses)	(75,000)	(65,318)	9,682
 Excess Revenues & Other Sources (Expenditures & Other Uses)	232,865	229,438	(3,427)
Fund Balance, Beginning of Year	1,678,894	1,678,894	3,357,788
Fund Balance, End of Year	\$ 1,911,759	\$ 1,908,332	\$ 3,354,361

The accompanying notes are an integral part of these statements.

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1999**

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The clerk of court is elected for a four-year term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Livingston Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the Livingston Parish Police Jury. The police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the police jury, the clerk of court was determined to be a component unit of the Livingston Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The clerk of court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the clerk of court are classified into two categories: governmental (General Fund and Capital Project Fund) and fiduciary (Agency Funds). These funds are described as follows:

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1999**

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the clerk of court and accounts for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Capital Project Fund

The Capital Project Fund accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Agency Funds

The Advance Deposit and Registry of Court Funds account for assets held as an agent for others. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues from recordings, copies, and other services are recognized when they become measurable and available as net current assets (i.e. when the service is performed). Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

The proposed budget for the 1999 fiscal year was made available for public inspection at the clerk's office on June 13, 1998. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 17 days prior to the public hearing. The budget hearing was held at the clerk's office on June 30, 1998. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year-end.

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1999**

Formal budget integration (within the accounting records) is not employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

The clerk of court does not use an encumbrance accounting system.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the clerk of court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by Louisiana RS 33:2955 and the clerk of court's investment policy. If the original maturities of investments exceed ninety days, they are classified as investments; however, if the original maturities are ninety days or less, they are classified as cash equivalents.

The clerk of court maintains some investments in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by an initiative of the state treasurer and organized under the laws of Louisiana to operate as a local government investment pool. LAMP invests its assets only in securities and other obligations permissible under Louisiana law for local governments.

LAMP is an external investment pool that is not registered with the SEC as an investment company, but nevertheless operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB-31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the reporting of investment positions in 2a7-like pools (such as LAMP) be based on the pool's share price.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

J. COMPENSATED ABSENCES

Employees earn vacation leave of ten days per year after one year of employment.

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1999**

Sick leave is earned at the rate of thirteen days per year after one year of employment. In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when due.

L. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

M. TOTAL COLUMNS ON STATEMENTS

Total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

At June 30, 1999, the clerk of court has cash and cash equivalents (book balances) totaling \$4,538,909 as follows:

Demand Deposits	\$ 1,427,145
Interest-Bearing Demand Deposits	982,045
Time Deposits	1,129,719
Louisiana Asset Management Pool	1,000,000
	<u>\$ 4,538,909</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1999**

At June 30, 1999, the clerk of court has \$4,683,388 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$4,483,388 of pledged securities held by the custodial bank in the name of the fiscal agent bank (Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

3. INVESTMENTS

At June 30, 1999, all investments held by the clerk of court are classified as cash equivalents.

4. RECEIVABLES

The receivables of \$27,375 at June 30, 1999, are as follows:

	General Fund
Accounts	\$ 12,916
Interest	3,870
Intergovernmental	10,589
	\$ 27,375

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Equipment	\$ 466,390	\$ 56,822	\$ -	\$ 523,212
Vehicle	29,993	-	-	29,993
Construction in Progress	-	65,318	-	65,318
	\$ 496,383	\$ 122,140	\$ -	\$ 618,523

6. PENSION PLAN

Plan Description: Substantially all employees of the Livingston Parish Clerk of Court are members of the Louisiana Clerk of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1999**

benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of credited service, not to exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy: Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Livingston Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10.00 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collected by the tax rolls of each parish. The contributions requirements of plan members and the Livingston Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Livingston Parish Clerk of Court contributions to the System for the years ending June 30, 1999, 1998, and 1997, were \$71,387, \$59,639, and \$61,323, respectively, equal to the required contribution for each year.

7. OTHER POSTEMPLOYMENT BENEFITS

The clerk of court offers all retired employees health insurance benefits. The clerk of court pays the premiums. At June 30, 1999, 5 retired employees were covered under the clerk's health insurance plan. The cost to the clerk of court for the year ended June 30, 1999, was \$6,150.

8. COMPENSATED ABSENCES

At June 30, 1999, employees of the clerk of court have accumulated and vested \$14,578 of employee leave benefits, computed in accordance with GASB Codification Section C60. The entire amount is recorded as an obligation of the General Fund.

9. LEASES

The clerk of court records items under capital leases as an asset and an obligation in the accompanying financial statements. At June 30, 1999, the clerk of court had no capital leases in effect.

At June 30, 1999, the clerk of court had cancellable operating leases in effect for equipment, software, and warehouse building.

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1999**

10. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Advance Deposit Fund	\$ 1,481,030	\$ 1,238,815	\$ 1,112,429	\$ 1,607,416
Registry of Court Fund	2,262,262	429,189	1,761,293	930,158
	<u>\$ 3,743,292</u>	<u>\$ 1,668,004</u>	<u>\$ 2,873,722</u>	<u>\$ 2,537,574</u>

11. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The clerk has no general long-term obligations at June 30, 1999.

12. EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. At June 30, 1999, there was no amount due the parish treasurer as this was not the last year of the clerk's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

13. LITIGATION AND CLAIMS

Claims and litigation costs of \$113,303 were incurred in the current year. The entire amount is recorded as a current-year expenditure in the General Fund.

At June 30, 1999, the clerk of court was not involved in any litigation.

14. RESERVED FUND BALANCE

On April 17, 1993, the 21st Judicial District Court ordered the clerk of court to deposit \$226,475 into an escrow account to be used for the future construction of clerk of court offices. Reinvested interest earnings have increased the reserved amount to a total of \$307,704 as of June 30, 1999.

15. SUBSEQUENT EVENTS

Subsequent to fiscal year end, the Louisiana Legislative Auditor began an investigation of the clerk of court's financial records. A report of the investigation's findings is scheduled to be released in January, 2000.

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1999**

16. CONSTRUCTION COMMITMENTS

During the fiscal year ended June 30, 1999, the clerk of court entered into a \$516,000 construction contract for an addition to the clerk of court's offices.

During the fiscal year ended June 30, 1999, the clerk of court expended a total \$65,318 on this project. Of this amount, \$45,204 was paid to the architects, \$17,959 was paid on the construction contract, and \$2,155 was paid for other construction costs.

At June 30, 1999, the balance on the construction contract was \$498,041.

17. YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The clerk of court has identified computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the clerk's operations. All of these systems and equipment, including financial accounting and reporting systems, are in the validation and testing phase. All of the systems have been remediated by the software vendors, therefore there are no additional outside contracted amounts to be expended for this project.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the clerk of court is or will be Year 2000 ready, that the clerk of court's remediation efforts will be successful in whole or in part, or that parties with whom the clerk of court does business will be year 2000 ready.

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**Supplemental Information Schedules
As of and for the Year Ended June 30, 1999**

Fiduciary Fund Types - Agency Funds

Advance Deposit Fund

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds that have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawal of the funds can be made only upon order of the court.

**Livingston Parish Clerk of Court
Livingston, Louisiana**

**Supplemental Information Schedules
As of and for the Year Ended June 30, 1999**

Prior Year Audit Findings

The follow-up and corrective action plan taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 3).

Current Audit Findings

The corrective action plan for the current year audit findings is presented in Schedule 4.

**Livingston Parish Clerk of Court
Livingston, Louisiana
Fiduciary Fund Types - Agency Funds**

Schedule 1

**Combining Balance Sheet
June 30, 1999**

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
Assets			
Cash & Cash Equivalents	\$ 1,644,275	\$ 930,334	\$ 2,574,609
Total Assets	<u>\$ 1,644,275</u>	<u>\$ 930,334</u>	<u>\$ 2,574,609</u>
Liabilities			
Due to General Fund	\$ 36,859	\$ 176	\$ 37,035
Due to Taxing Bodies & Others	1,607,416	930,158	2,537,574
Total Liabilities	<u>\$ 1,644,275</u>	<u>\$ 930,334</u>	<u>\$ 2,574,609</u>

The accompanying notes are an integral part of these statements.

**Livingston Parish Clerk of Court
Livingston, Louisiana
Fiduciary Fund Types - Agency Funds**

Schedule 2

**Schedule of Changes in Unsettled Balances
For the Year Ended June 30, 1999**

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
Unsettled Deposits, Beginning of Year	\$ <u>1,481,030</u>	\$ <u>2,262,262</u>	\$ <u>3,743,292</u>
Additions			
Suits & Successions	1,225,521	-	1,225,521
Judgements	-	352,879	352,879
Interest Earned	-	73,019	73,019
Other Additions	13,294	3,291	16,585
Total Additions	<u>1,238,815</u>	<u>429,189</u>	<u>1,668,004</u>
Reductions			
Clerk's Costs (Transferred to General Fund)	783,302	2,806	786,108
Settlements to Litigants	135,094	1,751,930	1,887,024
Sheriff's Fees	77,871	-	77,871
Other Reductions	116,162	6,557	122,719
Total Reductions	<u>1,112,429</u>	<u>1,761,293</u>	<u>2,873,722</u>
Unsettled Deposits, End of Year	\$ <u>1,607,416</u>	\$ <u>930,158</u>	\$ <u>2,537,574</u>

The accompanying notes are an integral part of these statements.

**Livingston Parish Clerk of Court
Livingston, Louisiana**

Schedule 3

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1999**

Section I - Internal Control and Compliance Material to the Financial Statements

Reference Number	Fiscal Year Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action/ Partial Corrective Action Taken
98-1	06/30/98	<p>For the fiscal year ended June 30, 1998, amounts had not been refunded to depositors after a five-year period of inactivity from the Advance Deposit Fund in accordance with R.S. 13:842(B). The clerk of court indicated that a software program change would be made to produce a list of inactive suits to facilitate the refunding of the dormant funds to depositors.</p> <p>For the fiscal year ended June 30, 1999, the clerk of court was still not in compliance with R.S. 13:842(B).</p>	Partial	The required program change was made and the list of inactive suits was produced. The process of closing the suits in the computer system and refunding the dormant funds to depositors is currently under way, and should be completed during the first quarter of calendar year 2000.

Section II - Management Letter

Reference Number	Fiscal Year Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action/ Partial Corrective Action Taken
98-2	06/30/98	For the fiscal year ended June 30, 1998, the clerk of court did not file the required information at fiscal year end with the parish government in accordance with R.S. 42:283. The clerk of court indicated that it would file the information as required.	Yes	Not Applicable.

**Livingston Parish Clerk of Court
Livingston, Louisiana**

Schedule 4

**Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 1999**

Section I - Internal Control and Compliance Material to the Financial Statements

No Section I findings.

Section II - Management Letter

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
99-1	Fixed asset listings do not include detailed descriptions or locations of the clerk of court's assets, and many of the assets are not tagged. The clerk of court should immediately inventory and tag all fixed assets and update the master list to include class, location, and an adequate description of all fixed assets.	A complete inventory of all fixed assets is currently under way. All assets will be tagged and the master descriptive list updated.	Barbara Gatlin, Chief Deputy	01/31/00

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Lucius Patterson
Livingston Parish Clerk of Court
Livingston, Louisiana 70454

We have audited the general purpose financial statements of the Livingston Parish Clerk of Court, a component unit of the Livingston Parish Police Jury, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 20, 1999, which was qualified because insufficient audit evidence exists to support the Livingston Parish Clerk of Court's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Livingston Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of the Livingston Parish Clerk of Court's compliance with certain provisions of laws, regulations, contracts, and grants noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying schedule of Current Year Audit Findings. See reference numbers 98-1 and 99-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Livingston Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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This report is intended for the information of the management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Bruce Harrell & Co." with a period at the end.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

December 20, 1999